

Bashundhara Paper Mills Ltd.■



QUARTERLY FINANCIAL STATEMENTS
For the quarter ended 30 September 2019

Contents

●	
●	
●	
●	01 Statement of Financial Position 1
●	02 Statement of Profit or Loss and Other Comprehensive Income 2
●	03 Statement of Changes in Equity 3
●	04 Statement Cash Flows 4
●	05 Selected Explanatory Notes 5-9
●	
●	
●	
●	



IAS 1.51(a)
IAS 1.10(a), (f)
IAS 1.51(b), (c)
IAS 1.113
IAS 1.51(d), (e)

BASHUNDHARA PAPER MILLS LIMITED
Statement of financial position
As at 30 September 2019

	Notes	30-Sep-19	30-Jun-18
		Amount in Taka	
ASSETS			
IAS 1.66		15,773,192,945	15,729,748,506
IAS 1.54(a)		13,089,788,569	13,289,188,831
IAS 1.54(c)		164,894,961	166,798,327
IFRS 16		50,970,494	-
IAS 1.54(a)		2,202,538,921	2,008,761,348
IAS 1.54(b)		265,000,000	265,000,000
IAS 1.66		12,996,664,920	14,456,497,247
IAS 1.54(g)		7,539,351,067	7,866,400,203
IAS 1.54(h)		3,228,801,266	3,693,325,197
IAS 1.54(h)		1,196,927,645	829,368,883
IAS 1.54(n)		380,437,261	374,697,109
IAS 1.54(h)		315,734,692	356,051,064
IAS 1.54(i)		331,954,468	1,336,654,791
IAS 1.54(j)		3,458,520	-
Total assets		28,769,857,865	30,186,245,753
EQUITY AND LIABILITIES			
Capital and reserves			
IAS 1.5(r), 78(e)		7,597,590,161	7,480,252,299
Share capital	3	1,737,914,410	1,737,914,410
Share premium	4	1,739,583,292	1,739,583,292
IAS 1.55		2,087,780,993	2,092,726,250
IAS 1.5(r), 78(e)		2,032,311,466	1,910,028,348
Liabilities			
Non-current Liability			
IAS 1.71		10,052,083,394	10,193,472,916
Long term borrowings	7	8,239,473,711	8,397,659,591
IAS 1.55		22,621,610	38,946,320
IAS 1.55		1,104,015,597	1,076,753,353
IAS 1.54(o)		685,972,477	680,113,652
Current liabilities		11,120,184,310	12,512,520,538
IAS 1.61		1,750,844,692	1,740,500,152
IAS 1.54(m)		6,883,798,759	8,084,230,976
IAS 1.54(k)		1,892,872,491	2,296,713,495
IAS 1.54(l)		312,017,163	125,844,073
IAS 1.54(l)		280,651,205	265,231,842
Total liabilities		21,172,267,704	22,705,993,454
Total equity and liabilities		28,769,857,865	30,186,245,753
Net Asset Value Per Share	10	42.77	42.08

The annexed notes 1 to 15 form an integral part of these financial statements.

Sd/-
Head of Finance and Accounts

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chairman

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**
IAS 1.10(b), 81(b) **Statement of profit or loss and other comprehensive income**
IAS 1.51 (b), (c) **for the quarter ended 30 September 2019**

	Notes	01-Jul-2019 to 30-Sep-2019	01-Jul-2018 to 30-Sep-2018
		Amount in Taka	
IAS 1.113			
IAS 1.51(d), (e)			
IAS 1.82(a)	Revenue, net	2,552,580,959	2,966,692,890
IAS 1.82(b), 103	Cost of sales	(1,949,713,602)	(2,256,736,648)
IAS 1.85	Gross profit	602,867,357	709,956,242
IAS 1.85	Other income	17,312,865	18,718,198
IAS 1.82(b)	Administrative expenses	(94,279,373)	(100,435,717)
IAS 1.82(b)	Selling & distribution expenses	(73,909,190)	(91,611,290)
IAS 1.82(b)	Finance costs	(283,550,114)	(284,117,570)
	Profit before distribution of WPP & WF	168,441,545	252,509,863
IAS 1.99	Workers' profit participation & welfare fund	(8,422,077)	(12,625,493)
IAS 1.85	Profit before tax	160,019,468	239,884,370
IAS 1.82 (d)	Income tax expenses	(42,681,607)	(59,971,093)
IAS 12.79	Current tax expense	(15,419,363)	(75,833,030)
IAS 12.81 (d)	Deferred tax (expense)/income	(27,262,244)	15,861,937
IAS 1.82(f)	Profit after tax	117,337,861	179,913,277
IAS 1.96	Other comprehensive income		
IAS 1.82A(a)	<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-
IAS 1.82A(b)	<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
IAS 1.83(b)	Total Comprehensive Income for the period	117,337,861	179,913,277
IAS 33.66	Earnings per share	11	0.68
			1.04

The annexed notes 1 to 15 form an integral part of these financial statements.

Sd/-
Head of Finance and Accounts

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chairman

IAS 1.51(a)

IAS 1.10(c)

IAS 1.51(c)

BASHUNDHARA PAPER MILLS LIMITED

Statement of changes in equity

for the quarter ended 30 September 2019

IAS 1.113

IAS 1.51

(d), (e)

IAS 1.106(a)

Balance as on 01 July 2018

Transfer to retained earnings

Total Comprehensive Income for the period

Balance as at 30 September 2018

Share
Capital

Share
Premium

Revaluation
Reserve

Retained
Earnings

Total
Equity

Amount in Taka

1,737,914,410

1,739,583,292

2,112,514,322

1,959,489,520

7,549,501,544

-

-

(7,752,913)

7,752,913

-

-

-

-

179,913,277

179,913,277

1,737,914,410

1,739,583,292

2,104,761,408

2,147,155,711

7,729,414,821

Balance as at 01 July 2019

Transfer to retained earnings

Total Comprehensive Income for the period

Balance as at 30 September 2019

1,737,914,410

1,739,583,292

2,092,726,250

1,910,028,348

7,480,252,300

-

-

(4,945,257)

4,945,257

-

-

-

-

117,337,861

117,337,861

1,737,914,410

1,739,583,292

2,087,780,993

2,032,311,465

7,597,590,161

Sd/-

Head of Finance and Accounts

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-
Director

Sd/-
Chairman

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**
IAS 1.10(d) **Statement of cash flows**
IAS 1.51(b),
(c) for the quarter ended 30 September 2019

	Notes	01-Jul-2019 to 30-Sep-2019	01-Jul-2018 to 30-Sep-2018
		Amount in Taka	
IAS 1.113			
IAS 1.113(d), e			
IAS 7.10	A) Cash flows from operating activities		
IAS 7.18(a)	Receipts from customers	3,105,712,122	2,984,569,544
	Receipts from other income	12,943,802	3,927,242
IAS 7.1(c)	Payment to suppliers, employees & others	3,118,655,924	2,988,496,785
	Cash generated from operations	(2,086,540,445)	(2,978,344,573)
	VAT paid	1,032,115,478	10,152,212
	SD Paid	(77,745,240)	(97,277,493)
IAS 7.35	Income taxes paid	(6,492,929)	(3,643,752)
IAS 7.31	Bank charges and commission	(5,740,153)	(10,176,829)
	<i>Net cash (used in)/ generated by operating activities</i>	<i>(4,906,564)</i>	<i>(2,506,205)</i>
		<i>937,230,593</i>	<i>(103,452,067)</i>
IAS 7.10	B) Cash flows from investing activities		
IAS 7.16(a)	Payments for property, plant and equipment	(99,145,015)	(72,994,134)
	Receipts/ transfer of capital work-in-progress	(244,404,860)	(729,462,429)
	<i>Net cash (used in)/ generated by investing activities</i>	<i>(343,549,875)</i>	<i>(802,456,563)</i>
IAS 7.10	C) Cash flows from financing activities		
IAS 7.17(c)	Received/ (repayment) of short term borrowings	(1,200,432,218)	(1,178,418,773)
IAS 7.33	Payments of Bank interest and other charges	(279,957,968)	(284,122,094)
	Received/ (repayment) of Intercompany debt	46,175,197	(129,514,993)
	Received/ (repayment) of lease liabilities	(16,324,710)	-
IAS 7.17(d)	Received/ (repayment) of long term borrowings	(147,841,340)	2,450,108,029
	<i>Net cash (used in)/ generated by financing activities</i>	<i>(1,598,381,039)</i>	<i>858,052,169</i>
IAS 7.50(d)	D) Net increase in cash and cash equivalents (A+B+C)	<i>(1,004,700,322)</i>	<i>(47,856,460)</i>
	E) Cash and cash equivalents at the beginning	<i>1,336,654,791</i>	<i>1,519,454,492</i>
	F) Cash and cash equivalents at the end (D+E)	<i>331,954,468</i>	<i>1,471,598,031</i>
	Net Operating Cash Flows per share	12	5.39
			<i>(0.60)</i>

The annexed notes 1 to 15 form an integral part of these financial statements.

Sd/-
Head of Finance and Accounts

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chairman

IAS 1.51 (a) **Bashundhara Paper Mills Limited**

IAS 1.10 (e) **Notes to the financial statements**

IAS 1.51 (C) **As at and for the quarter ended 30 September 2019**

IAS 1.78 (a)&

IAS 16.73 (a) **01.00 SELECTED EXPLANATORY NOTES**

	<i>Amount in Taka</i>	
	30-Sep-19	30-Jun-19

These financial statements have been prepared in line with Accounting Policies as adopted in the preparation of financial statements for the period ended from 01 July 2019 to 30 September 2019. The basis of preparation and significant accounting policies governing the quarterly statutory reporting has not been changed from the last reporting date. Hence no policy related general notes are being provided for Q1, 2019-2020 accounts. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements. Certain figures for the Q1, 2018-2019 have been rearranged wherever considered necessary, to ensure better comparability with the current period's financial and to comply with relevant IASs and IFRSs.

01.01 New Standards, Interpretations and Amendments adopted By the Company

IFRS 16 Leases

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. The change interprets a single accounting model on balance sheet, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective from or after 1 January 2019.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, BPML recognises right-of-use assets and lease liabilities for all leases.

02.00 RIGHT-OF-USE ASSETS

A. Cost:

Opening Balance

Add: Reclassification on initial application of IFRS 16 as at 01 January 2019

Less: Addition during the period

Closing Balance

-	-
111,791,600	-
-	-
111,791,600	-

B. Accumulated amortization:

Opening Balance

Add: Reclassification on initial application of IFRS 16 as at 01 January 2019

Add: Charged during the period

Closing Balance

-	-
56,620,475	-
4,200,631	-
60,821,106	-
50,970,494	-

C. Written down value (A-B)

03.00 SHARE CAPITAL

As per the disclosure requirements laid down in schedule under the rule 12(2) of the Securities and Exchange Rules 1987, the followings are the part and parcel of share capital:

Authorized share capital:

500,000,000 nos. ordinary shares of Taka 10 each.

<u>5,000,000,000</u>	<u>5,000,000,000</u>
----------------------	----------------------

IAS 1.79

(a)(i)

Issued, subscribed & paid up:

173,791,441 nos. ordinary shares of Taka 10 each issued and fully paid-up in cash.

Total

1,737,914,410	1,737,914,410
1,737,914,410	1,737,914,410

3.01 Movement of share capital:

Opening balance

Issuance of ordinary shares during the period

Closing balance

1,737,914,410	1,737,914,410
-	-
1,737,914,410	1,737,914,410

3.02 Position of shareholding

3.02.1 Percentage of Shareholders

Name of shareholders	30-Sep-19		30-Jun-19	
	Nos. of Shares	Percentages of holdings	Nos. of Shares	Percentages of holdings
Mr. Ahmed Akbar Sobhan	4,000,000	2.30%	4,000,000	2.30%
Mrs. Afroza Begum	5,885,200	3.39%	5,885,200	3.39%
Mr. Sadat Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Shafiat Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Sayem Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Safwan Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Md. Imrul Hassan	4,002,000	2.30%	4,002,000	2.30%
East West Property Development (Pvt.) Ltd. Represented by-Mr. Md. Nazmul Alam Bhuiyan	101,050,575	58.14%	101,050,575	58.14%
General public and institutions	26,041,666	14.98%	26,041,666	14.98%
Total	173,791,441	100%	173,791,441	100%

3.02.2 Classification of shareholder's by holding range

	No of Share holders		No of shares	
	30-Sep-19	30-Jun-19	30-Sep-19	30-Jun-19
1-500 shares	12,080	12582	1,644,856	1,715,224
501 to 5,000 shares	3,924	3845	6,986,030	6,760,033
5,001 to 10,000 shares	429	406	3,086,577	2,975,198
10,001 to 20,000 shares	219	236	3,085,724	3,325,912
20,001 to 30,000 shares	88	92	2,106,615	2,171,206
30,001 to 40,000 shares	25	27	870,594	916,993
40,001 to 50,000 shares	22	27	999,061	1,218,565
50,001 to 100,000 shares	30	36	2,229,037	2,598,112
100,001 to 1,000,000 shares	25	23	5,033,172	4,360,423
1,000,001 to 1,000,000,000 shares	7	7	147,749,775	147,749,775
Total	16,849	17,281	173,791,441	173,791,441

04.00 SHARE PREMIUM

Amount in Taka	
30-Sep-19	30-Jun-19
1,739,583,292	1,739,583,292
-	-
-	-
1,739,583,292	1,739,583,292

4.01 In the year 2017-18 the Company issued 26,041,666 ordinary shares, from which 60% i.e. 15,625,000 ordinary shares for Eligible Investors (EIs) at cut-off price of Tk. 80.00 at a premium Tk. 70 and remaining 40% i.e 10,416,667 ordinary shares at a 10% discounted from the cut-off price of Tk. 72.00 per share at a premium Tk. 62 for General Public including NRB and Others totaling Tk. 2,000,000,000 (approx.)

IAS 1.106(d) 05.00 REVALUATION RESERVE

IAS 1.106 A

Opening Balance	2,092,726,250	2,112,514,322
Add: Increase arising on revaluation of properties	-	-
Less: Transferred to retained earnings	(4,945,257)	(19,788,072)
Closing Balance	2,087,780,993	2,092,726,250

06.00 RETAINED EARNINGS

Opening balance
Add: Profit attributable to the owners of the Company
 Transferred from properties revaluation reserve
Less: Adjustment for current tax of prior years
 Final dividend for the year 2017-2018
Closing balance

<i>Amount in Taka</i>	
30-Sep-19	30-Jun-19
1,910,028,348	1,959,489,520
117,337,861	291,848,486
4,945,257	19,788,072
-	(13,514,849)
-	(347,582,882)
2,032,311,466	1,910,028,348

IFRS 7.8 (f) **07.00 LONG TERM BORROWINGS**

Bank loan:
 LTR (long term)-Janata Bank Ltd.
 Project Loan-Janata Bank Ltd.
 Term loan-Southeast Bank Ltd.
 Term Loan-Basic Bank Ltd.
 Term loan-Mercantile Bank Ltd.
 Term loan-National Bank Ltd.
 Term loan- IFIC Bank Ltd.
 Term loan- Shahjalal Islami Bank Ltd.
 Term loan-Standard Bank Ltd.
Total Long Term borrowings
 Less: Current portion of long term borrowings
Due after one year

224,956,575	606,111,135
592,856,994	231,593,670
1,513,807,790	1,539,610,341
379,423,911	408,624,109
2,299,253,625	2,345,930,635
2,075,963,489	2,079,575,732
841,633,672	853,968,851
913,193,333	911,552,222
1,038,182,948	1,055,940,748
9,879,272,337	10,032,907,444
(1,639,798,626)	(1,635,247,853)
8,239,473,711	8,397,659,591

08.00 LEASE LIABILITIES

Finance Lease obligation:
 Islamic Finance & Investment Ltd.
 GSP Finance Company (BD) Ltd.
Total lease liabilities
 Less: Current portion of lease liabilities
Due after one year

41,635,185	43,089,327
92,032,491	101,109,292
133,667,676	144,198,619
(111,046,066)	(105,252,299)
22,621,610	38,946,320

09.00 DEFERRED TAX (ASSETS) / LIABILITIES

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes. The following is the analysis of deferred tax (assets)/liabilities presented in the statement of financial position:

Opening balance

Provided during the period:

Deferred tax income

Deferred tax expense

Adjustment made during the period

Closing balance

1,076,753,353	957,392,014
27,262,244	119,361,339
387,837	(75,485,710)
26,874,406	194,847,049
-	-
1,104,015,597	1,076,753,353

As at September 30, 2019	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	10,423,598,145	(6,680,510,469)	3,743,087,676
Intangible assets	164,894,961	(134,493,578)	30,401,383
Pre-operating expenses	-	(62,982,111)	(62,982,111)
Unused tax loss carry forward	-	(196,549,872)	(196,549,872)
Difference for vehicle	-	(5,072,945)	(5,072,945)
Net taxable temporary difference	10,588,493,106	(7,079,608,975)	3,508,884,131
Applicable tax rate		25%	
Deferred tax liability-30 September 2019		877,221,033	
Deferred tax liability-30 June 2019		(851,493,978)	
Deferred tax expense/ (income) for the period		25,727,055	

As at June 30, 2019	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	10,627,228,338	(6,882,986,673)	3,744,241,665
Intangible assets	166,798,327	(137,948,293)	28,850,034
Pre-operating expenses	-	(59,833,006)	(59,833,006)
Unused tax loss carry forward	-	(301,942,839)	(301,942,839)
Difference for vehicle	-	(5,339,942)	(5,339,942)
Net taxable temporary difference	10,794,026,665	(7,388,050,753)	3,405,975,913
Applicable tax rate			25%
Deferred tax liability-30 June 2019			851,493,978
Less: Deferred tax liability-30 June 2018			(732,132,639)
Deferred tax expense/ (income) for the year			119,361,339

10.00 NET ASSET VALUE (NAV) PER SHARE

Total Assets	
Less: Intangible Assets	
Total Liabilities	
Net Asset Value (NAV)	
Weighted Average Number of Ordinary shares outstanding during the period	
Net Asset Value (NAV) Per Share	

Amount in Taka	
30-Sep-19	30-Jun-19
28,769,857,865	30,186,245,753
(164,894,961)	(166,798,327)
(21,172,267,704)	(22,705,993,454)
7,432,695,200	7,313,453,972
173,791,441	173,791,441
42.77	42.08

11.00 EARNINGS PER SHARE (EPS)

IAS 33.70

Profit attributable to the Ordinary Shareholders	
Weighted Average Number of shares	
Basic Earnings Per Share	

Amount in Taka	
01-Jul-2019 to 30-Sep-2019	01-Jul-2018 to 30-Sep-2018
117,337,861	179,913,277
173,791,441	173,791,441
0.68	1.04

11.01 Diluted Earnings Per Share

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

Profit attributable to the Ordinary Shareholders	
Total Number of shares	
Diluted Earnings Per Share	

117,337,861	179,913,277
173,791,441	173,791,441
0.68	1.04

11.02 Total Number of Ordinary Share outstanding

Opening number of shares outstanding	
Add: Ordinary shares issued during the period	
Total	

173,791,441	173,791,441
-	-
173,791,441	173,791,441

12.00 NET OPERATING CASH FLOW (NOCFPS) PER SHARE

Net Operating Cash Flows	
Weighted Average Number of Ordinary shares outstanding	
Net Operating Cash Flows per share	

937,230,593	(103,452,067)
173,791,441	173,791,441
5.39	(0.60)

RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT

Amount in Taka	
01-Jul-2019 to 30-Sep-2019	01-Jul-2018 to 30-Sep-2018
117,337,861	179,913,277
42,681,607	59,971,093
8,422,077	12,625,493
1,903,366	1,903,932
296,511,349	234,335,403
466,856,259	488,749,198
278,643,550	281,611,365
<i>Movements in working capital:</i>	
(Increase)/decrease in deferred revenue expenses	(3,458,520)
(Increase)/decrease in inventories	327,049,136
(Increase)/decrease in trade and other receivables	464,523,931
(Increase)/decrease in advance, deposit and prepayment	(367,558,761)
Increase/(decrease) in trade payables & other payables	(410,572,357)
Increase/(decrease) in provision for expense	11,541,681
Cash generated from operations	197,470,936
Income taxes paid	(5,740,153)
Net cash (used in)/ generated by operating activities	937,230,593
	(103,452,067)

14.00 SIGNIFICANT DEVIATIONS

14.01 Earnings per share (EPS) decreased for lower profit after tax from same period of previous year. Decline in profit is driven by lower sales volume, increase in utility costs and other overhead costs, increase in bank interest rate, increased in depreciation expenses particularly.

14.02 Net Operating cash flow per share (NOCFPS) increased from same period previous year because of decrease in higher inventory purchase and increased in collection of trade and other receivables.

15.00 EVENTS AFTER THE REPORTING PERIOD

There are no other events identified after the date of the 1st quarter statement of financial position which require adjustment or disclosure in the accompanying financial statements